

CUSTOMER EXPECTATIONS AND LOYALTY OF THE HOTEL INDUSTRY IN LAGOS, NIGERIA

**Sholarin ADENIYI
Olaleke Oluseye OGUNNAIKE

The emergence of service economy is naturally the front liner for the emergence of services marketing. The unique features of services such as intangibility, inseparability and heterogeneity make the assessment of customer expectation very pertinent. However, regular delivery of quality services that will match the dynamic expectations of the customers remain an herculean task for every service provider. The objective of this study was therefore to examine the effect of customer expectation on customer loyalty in hotel industry. Descriptive statistics and regression analysis were employed for the test of the hypotheses. The findings revealed that customer expectation has significant effect on both customer satisfaction and customer loyalty. In addition, descriptive statistic revealed that augmented services such as baby sitter and internet reserving system are highly expected by customers. It was therefore recommended that relationship marketing practices should be adopted by the hotels management.

1.0 INTRODUCTION

It is a celebrated fact that a major reason behind any production activity is that there exists a set of consumers, who are eagerly waiting to consume what is being produced. The total product quality paradigm is the current world class mindset that allows any entrepreneur, regardless of the economics or geographies; to manage and sustain their customer relationships for life (Schweitzer,2008). This is done by the expression of their mind registered and worthwhile thoughts in order to create world-class brands of goods and services.

The customers are not presumptuous buyers of any junk, occupying a place, having a name and a registered logo, in the market place but are rational beings who select what to buy for personal consumption and enjoyment (Duffy, 2003).. They patronize only the brands of goods and services that exist in close mental and emotional alignments with expectations, intentions, and convictions. Every customer buys only the product of the

***Sholarin ADENIYI** is of the Department of Human Resource Development, Covenant University and **Olaleke Oluseye OGUNNAIKE** is of the Department of Business Management, Covenant University, Ota, Ogun State.*

producers which have been well processed and thoroughly packaged into tangible goods and services. The customers are the life wire of the various product lines of the producers. They determine, to a great extent, the longevity of any production enterprise based on their marginal propensities to consume and to save with respect to their desired products (Schweitzer, 2008).

The entrepreneurs, under the total product quality paradigm, are expected to create mental and emotional connections with the imaginations, impulses, expectations and convictions of their customers (Duffy, 2003).. The total product quality paradigm takes its root from the theories of production, costs and firm (Oliver, 1999) The total product quality paradigm thrives on the production philosophy that allows for the injection of the personalities and emotions of the various producers in the creation of their customer goods and services. It focuses on excellence at every stage of the production processes. Excellence is more of a culture than a spirit as it can be learnt and freely expressed at will.

The bitter truth in this competitive age of unpredictable technologies enterprises and innovation is that no consumer exists today who will patronize the mediocrity of any producer but is a faithful and loyal disciple of the excellently packaged goods and services which are the noble scenario birth by the creative and enterprising minds. The issue of today deals with customer producers relationships through the delivery of quality products and services to the customer. It focuses specifically on the product and service quality (from the customer's end) and the enterprise profitability (from the producer's end) through a marketing and management perspective relationship. In this regard the producer's perspective, of the task of production and marketing, is not only to establish customer relationships but also to maintain and enhance them in order to improve customer profitability. The discussions and findings from the service quality, for example, assume that higher product and service quality lead to customer satisfaction, which lead to customer loyalty and this ultimately derives customer profitability.

Customer service perceptions are to enable clients to fully leverage their customer service potential by providing them with simple, unobtrusive, and in-expensive business and operating-system evaluation. Customer service perception enables a client to quickly and regularly assess their customers' service need. Customer service perception is a company offering tools for improving customer service; mystery is an effective way of measuring the level of service a business provides to its customers. The objective is to obtain information that will assist businesses in evaluating their level of customer service. The information gathered will assist business in making appropriate decisions to improve the way they provide for their customers. Mystery shopping is effective because the shopping is conducted anonymously, by an evaluation posing as a regular customer. The feedback is unbiased and objective, thus giving businesses the opportunity to

understand their evaluation reports of services provided by the organization. As a service provider, customer expectations can pose a major challenge. This is because expectations are wondrous creatures: they grow, they shrink, they change shape, they change direction, they shift constantly, and they shift easily.

The tourism industry is making up from different types of organizations. For instance, the hospitality industry is a segment within the tourism industry. When most people think of the hospitality industry, they usually think of hotels and restaurants. However, the true meaning of hospitality is much broader in scope. According to Oxford English dictionary, hospitality means “the reception and entertainment of guests, visitors or strangers with liberality and goodwill”. The word hospitality is derived from “hospice,” the term for medieval for travelers and pilgrims.

A hotel can be described as an establishment supplying both food and lodging to the public. In common law of England and America, the hotel keeper is a public servant and must receive all proper persons. In the first American hotels, successors to the early inns differed from their European prototypes by charging a fixed fee for food and lodging (American plan). The modern hotel in America dates from the early days of railroad travel, when the modes hostelry, prepared to entertain small groups of occasional guests, was forced to become a more commodious and efficient institution to accommodate the great number of traveling sales people.

Lovelock & Lauren (1999) for the first time noted that, in a business context, loyalty is used to describe the willingness of a customer to continue patronizing a firm's goods and services over a long period of time and on a repeated and preferable executive basis, and voluntarily recommending the firm's products to friends and associates. In their view, customers will continue to be loyal to a particular firm if they feel and realize that better value is being offered. Kotler (2000) also observed that the most important consideration to attain high customer loyalty is for firms to deliver high customer service. They continued to stress that it has been the practice by firms to devote much attention and effort to attracting new customers rather than retaining existing ones, adding that traditionally firms emphasize more on making sales rather than building relationship; on pre selling and selling rather than caring for the customer afterwards. Hotel services should be able to provide and deliver high customer value caring service to build up good customer satisfaction relationship in order to attract customer loyalty to the organization.

2.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Customers Expectation

Davidow and Uttal (1989) proposed that customers' expectation is formed by many uncontrollable factors which include previous experience with other companies, and their advertising, customers' psychological condition

at the time of service delivery, customer background and values and the images of the purchased product. In addition, Zeithaml et al (1990) stated that customer service expectation is built on complex considerations, including their own pre-purchase beliefs and other people's opinions. Similarly, Miller also stated that customers' expectation related to different levels of satisfaction. It may be based on previous experiences, learning from advertisements and word-of-mouth communication. Santos added that expectation can be seen as a pre-consumption attitude before the next purchase, it may involve experience.

Customers' expectation is what the customer wishes to receive from the services. The diversity of expectation definitions can be concluded that expectations is uncontrollable factors which including past experiences, advertising, customer perception at the time of purchase, background, attitude and product image. Furthermore, the influences of customers expectation is pre-purchase beliefs, word-of-mouth communications, individual needs, customers' experiences and other personal attitudes. Different customers have different expectations based on the customers' knowledge of the product or service.

Customer Loyalty

The importance of brand loyalty has been recognized in the marketing literature for at least three decades (Howard and Sheth) in this connection; Aaker (1991) has discussed the role of loyalty in the brand equity process and has specifically noted that brand loyalty leads to certain marketing advantages such as reduced marketing costs. In addition, Dick and Basu (1994) suggest other loyalty related market advantages such as favourable word of mouth and greater resistance among loyal consumers to competitive strategies. Yet despite the clear managerial relevance of brand loyalty, Oliver (1999) defines brand loyalty as "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive of the same brand or the same brand-set purchasing despite situational influence and marketing efforts having the potential to cause switching behavior". This definition emphasizes the two different aspects of brand loyalty that have been described in previous work on the concept-behavioural and attitudinal (Aaker 1991; Assael 1998, Dong 1996; Jacoby and Kyner 1973; Oliver 1999; Turkey 1964). Behavioural, or purchase, loyalty consists of repeated purchases of the brand, whereas attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand.

Customer loyalty research has mainly centered on the loyalty consumers

display towards tangible products that is often referred to as brand loyalty. Although the concept of customer to tangible goods (brand loyalty) has been studied extensively by marketing scholars, relatively little empirical research has examined loyalty to service organisations (service loyalty), significant gaps exist in marketing literature in explaining what leads customers to become loyal to service organisations.

Customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future thereby causing repetitive purchasing of the same brand, despite situational influences and marketing efforts. It can also be defined as the degree to which a customer exhibits repeat purchasing behaviour from a service provider, possess disposition towards the provider and considers using this provider when a need for this service arises, loyalty is therefore an attitude or behaviour that customers explicitly vocalize or exhibit.

Loyalty has both behavioural and attitude dimensions. The behavioural repurchases consists of repeated purchase of product while attitudinal loyalty refers to attitudinal commitment or favorable attitude towards a product resulting in repeat purchasing behaviour. It is a biased purchase response resulting from an evaluative attitude favoring the purchase. Loyalty is thus viewed as the customer's demonstration of faithful adherence to an organisation despite the occasional error or indifferent services. Dick and Basil (1994) conceptualize loyalty as the strength between repeat patronage and relative attitude which results from comparing a particular brand with competing brand. Customer loyalty is strong when a high relative attitude leads to repeat buying. A low relative attitude leads to low repeat purchase which equals no loyalty.

Loyalty in service businesses refers to the customer's commitment to do business with a particular organisation, purchasing their product repeatedly and recommending others to the organisation products. Anderson and Formel (1994) say that customer loyalty is actually the result of an organisation creating a benefit for customer so that they will maintain or increase their purchases from the organisation. They indicate that true loyalty is created when the customer becomes an advocate for the organisation without incentives.

External and Internal Factors that Influence Customer Loyalty

A number of scholars in the field have attempted to classify factors that may influence customer loyalty. For example, (Cahill, 2007) differentiates between the three main groups of customer loyalty determinants, namely customer-related factors, relationship-related factors and company-related

factors. It can be specified that customer-related determinants of loyalty are derived from individual consumer characteristics. Relationship-related determinants are closely associated with the interaction between sellers and buyers. They include such factors as previous experience, quality, trust, normative feelings and emotional closeness (Cahill, 2007). It is reported that the key company-related determinants are the company's reputation, the price-quality ratio and the appropriate customer loyalty programmes.

In contrast, Duffy (2003) singles out two main groups of customer loyalty determinants, namely internal and external. It is explained that internal factors refer to the customer perspective of loyalty to specific brands and services. In turn, external factors refer to the suppliers of goods and services and their ability to cultivate and maintain customer loyalty. As it may be observed, the classifications provided by Duffy (2003) and Chen and Popovick (2003). are similar. Internal and customer-related determinants refer to the same category of factors. Similarly, external and complex-related factors have identical meanings. In accordance with Osuagwu (2006) internal factor represents psychographics and demographics of individual consumers. It has been revealed that different age groups, social classes, genders and people with different educational backgrounds may differ in forms of customer loyalty (Duffy, 2003). It is contrasted by another group of researchers that “external factors such defensive marketing tactics of competitors, and the activities of supply chain members, could also be explored to assess their effect on the structural relationship between service quality, relationship quality and customer loyalty” (Singh and Waddell, 2004).

Kracklauer et al. (2004) are convinced that customer loyalty should be viewed as a combination of customer satisfaction and customer trust. Furthermore, the researchers developed the model of persistent and long-term customer loyalty, which is determined by such factors as short-term loyalty and commitment. Hence, the role of satisfaction, trust and commitment is emphasized by Kracklauer et al. (2004). Stone et al. (2000) agree that commitment and customer satisfaction prove to be important determinants of customer loyalty. Nevertheless, the researchers account for a wider range of factors including service experience, information exchange, efficient relationship management, customer involvement and participation, importance of the product, company size, product size, personal attitudes and household income. As it may be seen, Stone et al. (2000) identified both internal and external factors influencing customer satisfaction and their loyalty. If efficient, relationship management is a company-related factor, whilst household income appears to be a customer-

related characteristic. It can be critically remarked that organisations do not have absolute control and power over customer loyalty as a variety of factors do not depend on them.

Schweizer (2008) critically approaches the most powerful determinants of customer loyalty, which have been identified by the previous researchers in the field. The scholar does not classify them into internal and external, but rates them according to their importance. The identified determinants are purchase conditions, companies' pricing policies, product quality, product availability, reputation and image, consumer trust, previous experience, positive recommendations, available customer loyalty programmes, customer commitment, customer involvement and participation, switching barriers, customer attributes, customer behaviour patterns, product importance, individual experiences, etc. Schweizer (2008) is convinced that customer loyalty is influenced by a combination of factors, which is always unique for different situations. It may be argued that "customer loyalty yields significant benefits when its pursuit is part of an overall business strategy" (Duffy, 2003). The major company-related benefits are cost efficiency, channel migration and greater consumer awareness.

Customer expectations and customer loyalty

Paradis and Alireza (2012) observed that service offerings from hospitality industry have become necessities because of dramatic changes in consumers lifestyles. According to them, in order to fulfill the demands of the growing markets, the hospitality market tried to grow and compete with others in marketplace by meeting customer expectations. Despite increased attention by the researchers on customer loyalty, assessment of customer loyalty within the service context is low in developing countries like Nigeria. (Slattery, 2003). Analysis of past studies have shown that there are inconsistencies in the findings of effect of customer expectations and customer loyalty (Cronin and Taylor, 1992, Ramzi and Ismaiel, 2013). This study therefore attempted to ascertain the effect of customer expectations on customer loyalty. Hence the hypothesis;

Ho; There is no significant effect of customers' expectation on customer loyalty to hotel service providers

Relationship between Customer expectation and satisfaction

The distinction and association between service quality and customer satisfaction remains at the forefront of many academic and practitioner oriented research endeavour (e.g Cahill, 2007; Dick and Basu, 1994). Many studies on customer satisfaction have been conducted in service settings

(e.g., Formell, 1992) and generally, researchers agree that the two constructs are conceptually distinct (Bitner 1990, Boulding et al, 1993). That is, to maintain the position that service quality as determined by its various components is a partial determinant of satisfaction (Parasuraman et al 1985, 1988). In most recent study also, addressing the relationship between service quality and satisfaction, Spreng and Mackoy (1996) tested a model developed by Oliver (1993). Oliver's model integrates the two constructs, and suggests among other things, that customer expectation is an antecedent to satisfaction. Spreng and Mackoy's results indicate that service quality leads to satisfaction. Although the direction of the quality/satisfaction relationship (i.e. quality leads to satisfaction is fairly well understood for services the question of whether or not (and how) this relationship varies depending on particular settings. This study attempted to examine the effect of customer expectations on customer satisfaction in hotel industry.

H₀; There is no significant effect of customers' expectation on customer satisfaction of hotel services

3.0 Research Methods

The central focus of this study was to examine the effect of customer expectation on both customer satisfaction and customer loyalty. Multi-stage sampling technique was adopted for this study. Lagos state constituted the geographical scope of this study because it has the largest number of hotels in the country. The state is stratified into three senatorial district and samples were drawn proportionally based on the number of hotels in a particular district. In each of the district, hotels were stratified from one to five stars hotel. A number of scholars developed formulae for calculating sample size, some authors suggested that it is not the overall sample size that is of concern, rather the ratio of subjects to items. Nunnally (1978) recommends a 10 to 1 ratio; that is 10 cases for each item to be factor analyzed. Tabachnick and Fidell, (1996) suggest that 5 cases for each item is adequate in most cases. In all, twenty hotels ranging from one to five-star were randomly selected for the study and twenty participants were selected from each hotel.(see appendix 1) The sample size of 400 is considered appropriate for the study considering the number of items (33) in the research instrument.

Management and staff of the selected hotels had been adequately oriented about the goals, methodology and potential benefits of the study. Managements of the hotels were assured of necessary confidentiality and anonymity of information collected. Management and staff of the hotels were generally cooperative. Copies of the research questionnaire were given to waiters at the various hotels and follow-up visits were made to the waiters

to retrieve the questionnaires. Majority of the respondents were O.N.D holders while few of them are SSCE holders.

No attempt was made to contact the hotel customers directly so as not to intrude into people's privacy as well as not to jeopardize the business of the hoteliers. The hypotheses of the study were tested using simple frequency distribution such as percentages. The scale displayed good psychometric properties, including face validity and content validity. A convergent validity coefficient of .17 ($p < .01$) was obtained when correlated with customer satisfaction. A Cronbach's Alpha coefficient of 0.71 and split-half reliability coefficients of 0.61 and 0.78 for the first part and the second part of the scale respectively were also obtained. Furthermore, Correlation Between forms coefficient of 0.75, Spearman-Brown coefficient of 0.66, and Guttman Split-half coefficient of 0.65 were also obtained for the scale.

4.0 Data Analysis and discussion of findings

Table 1 Classification of Hotel customers in the study based on hotel status

Qualification	Freq	Percent
One – Star	107	26.8
Two– Star	216	54.0
Three – Star	64	16.0
Four– Star	13	3.3
Total	400	100.0

Source: Survey, 2012

The classification of hotel available in the sample, 26.8% of participants attended one-star hotel, 54% of participants attended two-star hotel, 16% of participants' patronized three-star hotel and 3% of participants' patronized four-star hotel

Table 2 Classification of Hotel Participants based on mode of ownership

Ownership	Freq	Percent
Sole ownership	125	31.3
Partnership	211	52.8
Public (State)	56	14.0
Public (Federal)	8	2.0
Total	400	100.0

Source: Survey, 2012

The hotel industry in Nigeria as private sector, profit-driven companies, but which also market themselves as playing a key role in local community

development and conservation, revealed 31% of hotels were owned by sole ownership, 52.8% and 14% of hotels were owned by state government and 2% of hotels were owned by federal government.

The expectations of customers from hotel service providers were measured using twelve statements and the findings revealed that expectations of customers ranging from using IT in providing room services, using website facilities etc.

Table 3 Frequency distribution of Expectations of Hotel Customers

	Freq	Percentage
Applying IT in special service rooms such as film	245	61.3
Accepting reserve cancellation by hotel	314	78.5
Having website.	327	81.8
Access to hotel information via website	342	85.5
24 hours online reservation	346	86.6
Access to hotel various menus and ordering room services via TV	352	88.1
Offering additional services, such as city tour	352	88.1
Paying the bills by the credit cards	352	88.1
Filling out the feedback form via internet	359	89.8
Applying IT in special rooms, such as music on demand	360	90
Having baby-sitter services	382	95.6
Reserving via internet	382	95.6

Source: Survey, 2012

The findings revealed that 61% of total sample indicated that applying IT in special service rooms such as film, 78.5% indicated that accepting reserve cancellation by hotel, 81.8% indicated that having website, 85.5% indicated that having access to hotel information via website, 86.6% indicated that having 24 hours online reservation, 88.1% indicated that having access to hotel various menus and ordering room services via TV, 88.1% indicated that offering additional services, such as city tour, 88.1% indicated that paying the bills by the credit cards, 89.8% indicated that filling out the feedback form via internet, 90% indicated that applying IT in special rooms, such as music on demand, 95.6% indicated that having baby-sitter services and 95.6% indicated that reserving via internet were the services they expected in the hotel industry.

Table 4a. Model Summary of effect of customers' expectation on loyalty

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.368(a)	.135	.133	3.42079

Source: Survey, 2012

Model summary' table provides information about the regression line's ability to account for the total variation in the dependent variable demonstrates that the observed y-values are highly dispersed around the regression line. Thus, the regression model only 'explains' a limited proportion of the dependent variable's total variation. The dependent variable's total variation can be measured by its [variance](#). First, the 'simple R' of .368 is the correlation between the actually observed independent variables and the predicted dependent variable (i.e., predicted by the regression equation). 'R square' of 13.5% is the square of R and is also known as the 'coefficient of determination'. It states the proportion (or percentage) of the (sample) variation in the dependent variable that can be attributed to the independent variable(s). This implies that 13.5% of variation in customer loyalty could be accounted by customers' expectation. Further explanation is given under the table below.

Table 4b; ANOVA Result on effect of customers' expectation on loyalty

	Sum of Squares	df	Mean Square	F	Sig.
Regression	728.173	1	728.173	62.227	.000(a)
Residual	4657.324	398	11.702		
Total	5385.498	399			

Source: Survey, 2012

In this study 13.5% of variation in customer loyalty could be accounted by customers' expectation. The 'adjusted R square' refers to the best estimate of R square for the population from which the sample was drawn. Finally, the 'standard error of estimate' indicates that, on average, observed customer loyalty scores deviate from the predicted regression line by a score of 0.133. This is not surprising, since it is already known that the regression model explains 13.5% of the variation, it can not account for the other 86.5% which most likely represents both measurement error in independent variable as well as other factors that influence customer loyalty that have not been considered. The hypothesis which stated that "There is no significant effect of customers' expectation on customer loyalty to hotel services was rejected at $R = -0.368$, $R^2 = 0.135$, $F_{(1, 399)} = 62.227$; $p < .05$. This implies that there is a significant effect of customers' expectation on customer loyalty to hotel services. To further confirm this, the beta coefficient is presented below.

Table 4c Coefficient of effect of customers' expectation on customer loyalty

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	beta		
(Constant)	4.176	.484		8.630	.000
Customers' Expectation	.192	.024	.368	7.888	.000

a Dependent Variable: Customers loyalty

Source: Survey, 2012

The table 4c further shows a significant effect of customers' expectation on customer loyalty to hotels at $\beta = .368$; $t = 7.88$; $p < 0.05$).

Hypothesis Two

There is no significant effect of customers' expectation on customer satisfaction with hotel service provisions

Model Summary of effect of customers' expectation on customer satisfaction

Table 5a

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740(a)	.547	.546	2.78900

a Predictors: (Constant), Customers Expectation

Source: Survey, 2012

The model summary table 5a shows the relationship between customers' expectations and customer satisfaction with hotel services at $r = .740$ which indicates that 54.7% variation in customer satisfaction could be accounted for by customers' expectations. The remaining 42.3% could not be accounted for by this model. This is indicated in the value adjusted r of observed customer satisfaction scores which deviate from the predicted regression line by a score of 2.789. To further prove cause and effect, the ANOVA table 5b is presented.

Table 5b; Anova of effect of customers' expectation on customer satisfaction

	Sum of Squares	df	Mean Square	F	Sig.
Regression	3738.936	1	3738.936	480.676	.000(a)
Residual	3095.841	398	7.778		
Total	6834.778	399			

- a Predictors: (Constant), Customers Expectation
 b Dependent Variable: Customers satisfaction

Source: Survey, 2012

The third hypothesis which stated that "There is no significant effect of customers' expectation on customer satisfaction with hotel service provisions was rejected at $R=0.740$, $R^2=0.547$, $F_{(1,399)}=480.676$; $p<.05$. This implies that there is a significant effect of customers' expectation on customer satisfaction with hotel service provisions. To further confirm this, the beta coefficient is presented below.

Coefficients of effect of customers' expectation on customer satisfaction

Table 5c

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	3.615	.395		9.163	.000
	Customers Expectation	.436	.020	.740	21.924	.000

- a Dependent Variable: Customers satisfaction

Source: Survey, 2012

The table 5c further shows a significant effect of customers' expectation on customer satisfaction with hotel service provisions at $\beta = .740$; $t=31.924$; $p<0.05$.

Discussion of findings

The findings of this study are in congruence with the findings of Ehigie (2006). In a study on the correlates of customer loyalty to a particular bank by Ehigie (2006), a survey research was conducted that included qualitative techniques to explore customers' expectations from bank services on the basis of which measurement scales were developed to measure the variables of the study. Respondents for the qualitative research include participants for focus group discussions and 24 for in-dept interview; they were operators of savings, current and electronic bank accounts. The quantitative research had 247 bank customers who responded to questionnaires items that measured the research variable. The paper revealed customer expectations as significant predictors of customer loyalty. However, the findings of this study further validate its contributions to customer loyalty in hotel industry.

In variance with the findings of this study was the result that emanated from a study on self esteem, gender, and socio-economic status as factors that influence customer expectation and its relationship with customer satisfaction in hotel by Iyiade (2009). A sample of 97 hotel resident guests were randomly selected from three hotels (two of which belongs to five - star rating while the remaining one has four star rating). A 48 - item brand loyalty questionnaires was used to elicit responses from the subjects. Results indicated that there is a significant negative correction between customer expectations and satisfaction depending on the self esteem of the customers.

5.0 Conclusion and Recommendations

The findings of this study have some significant implications for the hotel industry. In order to be able to compete on a highly competitive market, a hotel must strive to meet customer's needs and expectations. To do this it is important to understand the aspects of business performance that persuade customers to become repeat purchasers and to exhibit behavioural loyalty.

For a customer, loyalty to one organization reduces the risk of service variability; allows for the development of a social rapport with the providers and the customizations of services to his/her specialization (Beery, 1995). Loyal customers are usually portrayed as being less price-sensitive and more inclined to increase the number and or frequency of purchases. They may become advocates of the organization concerned and play a role in the decision making of their peers of family. Link between customer loyalty and organizational profitability have been demonstrated so that any organization with loyal customers has considerable competitive advantage. Customer is more likely to be retained if there is a customer-oriented climate in which contact staff can deliver service quality efficiently and effectively.

The findings of this study also imply that hotel management practioners should pay more attention to customer experience management and customer relationship management.

In the case of maintaining relationship, it must be noted that a good, successful and profitable relationship manifests in the following ways;

- (i). The relationship develops over time. This happens through pre-sale, post-sale and ongoing support activities that a hotel provides to its customers.
- (ii). The relationship requires two ways communications. Customers should be listened to and provided with continuous solutions. Complains should be considered as opportunities of getting closer to customers.

Based on the findings of this study, the following recommendations were

made;

- There is need for augmented services such as baby sitter and city tours
- Internet reserving system should be employed
- There is need for good feedback mechanism via internet
- Since customers expect cashless payment system, payment of bills through credit cards or other means should be employed by the hotel management.

6.0 References

Aakers, D.A. (1984) Strategic Market Management, 1st Ed. New York: John Wileys and Sons Publishers.

Cahill, D. (2007) Customer loyalty in third party logistics relationships: findings from Studies in Germany and the USA, New York: Springer.

Chen, I.J. and Popovick, K. (2003) "Understanding customer relationship management (CRM) People Process and Technology. *Business Process Management Journal*. Vol. 9, No. 5.

Chon, K.S.A. and Sparrow, R.T. (2000) Welcome to Hospitality: An Introduction. Albany Delmar

Davidow, W. H. & Uttal, B. (1989) Service Companies: Focus or Falter, *Harvard Business Review*, July-August: 77-85.

Dick, A.S. and Basu, K. (1994) Customer Loyalty: Toward an Integrated Conceptual Framework, *Journal of the Academy of Marketing Sciences*, 22(2), 99-113.

Duffy, D.L. (2003). Commentary- Internal and external factors which affect customer loyalty. *Journal of Consumer Marketing*, vol.20, no.5, pp.480-485

Egan, J. (2004) Relationship Marketing, *Exploring Relational Strategies in Marketing*, 2nd Edition. Pearson Education Limited, England.

Ehiagie, B.O. (2006), Correlates of customer loyalty to their bank: A case study in Nigeria. *International Journal of Bank Marketing*, (Vol. 24), 494-508.

Howard, J.A. and Sheth Jnr. (1969) The Theory of Buyer Behaviour, New York: John Wiley and Sons
Dick and Basu (1994)

- Iyiade, A.T. (2009), Self Esteem, Gender and Socio-Economic Status as Factors in Hotel Brand Loyalty. Food and Beverage Industries Community. Farlex Inc.
- Jacoby, I. and Chestnut, R.W. (1978), Brand Loyalty: Measurement Management. New York; John Wiley and Sons.
- Kracklauer, A., Mills, D. and Seifert, D. (2004) Collaborative customer relationship management: taking CRM to the next level, New York: Springer
- Kotler, P. (2000) "Marketing Management", Upper Saddle River, New Jersey.
- Lovelock, et al. (1999) Services Marketing Perspective, Prentice Hall, Upper Saddle River, New Jersey.
- Nunnally, J.C. (1978). *Tests and Managements*. New York: McGraw-Hill.
- Oliver, R.L. (1999) Satisfaction: A Behavioural Perspective on the Consumer, New York. The McGraw Hill Companies, Inc.
- Osuagwu, C. (2006) *Marketing Principles and Management*, Lagos. Grey Resource Limited.
- Paradis, M. and Alizera, M (2012) "Customer satisfaction modeling in hotel industry; A case study of Kish Island in Iran". International Journal of Marketing Studies. Vol 4(3) Pp134-152.
- Ramzi, M.A and Ismaiel, M. A. (2013) "The mediation of tourist satisfaction on the relationship between tourism service quality and tourists loyalty; five stars hotels in Jordanian environment". International Business research. Vol 6(8), Pp 79-90.
- Schweitzer, B. (2008) An examination of factors leading to abating customer loyalty Towards Magazine Subscriptions, Berlin: GRIN Verlag.
- Singh, M. and Waddell, D. (2004) E-business innovation and change management, New York: Idea Group Inc (IGI).
- Smith, R.A. and Leisure, J.D. (2002), "The U.S. Lodging Industry Today", in Rutherford, D.G. (Ed.) Hotel Management and Operations, 3rd Ed., New York: John Wiley and Sons, Inc.

Stone, M., Woodcock, N. and Machtynger, L. (2000) Customer relationship marketing: get to know your customers and win their loyalty, 2nd ed., London: Kogan Page Publishers.

Teifer, A. (2005), "Hotel Supply Chain: A Strategic Approach", European Hotel Manager Association. Retrieved from [http:// www.hilton.com](http://www.hilton.com)

Zeithaml, V. A., Parasuraman, A., & Berry, L. L. (1990) Delivering Quality Service: Balancing Customer Perceptions and Expectations. *The Free Press*, New York. NY.

Notes

This article is an excerpt from the unpublished Ph.D work of Sholarin, Adeniyi and the second author contributed to data analysis and presentation as well as the organization of this article.

Appendix 1

Names and addresses of the sampled hotels

s/ n	Name of Hotel	Address
1	Lagos Airport Hotel	Obafemi Awolowo Way, Ikeja.
2	Ikeja Palace Hotel	Toyin Street, Ikeja
3	Lagos Sheraton Hotel	Mobolaji Bank Anthony Way, Ikeja
4	Eko Le Meridien Hotel	Victoria Island
5	Floralid Motel Limited	Ikeja
6	Ikoyi Hotel	Ikoyi
7	Federal Palace Hotel	Kingsway Road
8	Nigeria Hotels Limited	Ikoyi
9	Lagos Mainland Hotel	Oyinbo
10	Franklin Hotels Limited	Surulere
11	Kilo Hotels	Surulere
12	White House Hotel	Surulere
13	Rita Lori Hotel	Surulere
14	Niger Palace Hotel	Yaba
15	Oasis Hotel	Yaba
16	Panama Hotel	Ajao Estate
17	Excelsor Hotel	Apapa
18	Excellence Hotel	Ogba
19	Hotel New Castle	Anthony Oke
20	Bluent Hotel	Osolo Way, Airport Road